

Document No. 9560

Certificate:-

I, T. C. Lui, hereby certify that I am thoroughly conversant with the Chinese and English languages, and as a result of the comparison between the Chinese and the English texts, I have established that this is a true and correct translation of International Prosecution Document No. 9560.

(signed) T. C. Lui

HIGH COURT OF NANKING

25 May 1946

International Prosecution Section
General Headquarters, Supreme Commander
For the Allied Powers

Gentlemen:

With reference to your request for material on the subject of opium suppression, we attach herewith authenticated copies of the record of interrogations of Sheng Yu-An and of a written Statement entitled "The Work of Opium Suppression" prepared by Mei Sze-Ping, Minister of Interior in the Puppet Nanking Government. The above documents were referred to us, for incorporation in our proceedings, by the Bureau of Investigation and Statistics of the National Military Council which handled the investigations.

Yours faithfully,

Chao Seng
President

THE WORK OF OPIUM SUPPRESSION

Ever since the closing years of the Tsing Dynasty, the planting of, trading in and smoking of opium had been suppressed, but with little result. Owing to the recurrence of civil wars, and the lack of uniformity in laws and statutes, the Suppression Regulations were more or less scraps of paper. The opium situation became even worse. In 1935, however, the Council of Military Affairs of the National Government, with the greatest determination and the most careful planning, strictly enforced the suppression of opium. Substantial results were achieved. The measures adopted at that time are briefly described as follows:

1. With regard to drugs, such as cocaine, heroin, morphine, etc., the policy of immediate suppression and extinction was adopted. Capital punishment were to be dealt to those who manufactured or traded in or transported such drugs. Those who indulged in using such drugs one year after the enforcement of the suppression law were to be punished likewise.
2. In the case of opium, since the situation was more complicated, the policy of suppressing and extinguishing it in five years was adopted. Opium addicts were required to cure themselves of the habits within respective time limits prescribed on the basis of their respective ages. Before being cured, addicts should have licenses for the purchase of limited amounts of opium. Only specially designated merchants could engage in the trading and transporting of opium. They were strictly supervised by the Council of Military Affairs which also controlled the distribution. As to the planting of opium, for one reason or another, the immediate suppression in some provinces had some difficulty. Therefore, it was ordered that the planting of opium was confined to certain border and outlying regions, that the planting in those regions had to decrease from year to year, and that the rest of the provinces were strictly forbidden to plant any opium. For violation of this regulation, both the local authorities and the farmers concerned were to be punished.

The above is a brief description of the opium suppression operations before the "War of Resistance. In two years, remarkable results were achieved, particularly in Kiangsu and Chekiang provinces where the accomplishments were the best. If the war had not broken out, the plan for suppressing opium within five years would have been 80% or 90% successfully concluded.

After the invasion of the Japanese militarists in 1937, the work of suppressing opium in North China and the South-eastern provinces which successively came under the Japanese occupation, was naturally interrupted. Even before the war the Japanese militarists and diplomats had the bad habit of obstructing the Chinese policy of opium suppression. It was a current opinion in China that the Japanese had the ultimate motive of poisoning the Chinese people. They would make every Chinese an opium addict or a drug addict, in order to weaken and to impoverish the Chinese. But this was rather a superficial observation. The actual reason behind was that, since the Japanese military forces and special service organs in China were very ambitious in carrying on aggression, the funds allotted to them by the Japanese Government could hardly meet the heavy expenses of their extremely extensive work of the so-called special service activities in China. Therefore, they utilized the Consular Jurisdiction to protect the Japanese, Korean, and Formosan ruffians who engaged in manufacturing drugs or transporting and trading of opium. Moreover, the Japanese garrison forces and consulates usually offered them protection and ordered them to penetrate into the hinterland in exchange for espionage information which they were required to supply to the military headquarters and the Embassy and Consulates. They were further told to contact local Chinese unscrupulous elements and even corrupt officials in order to obtain various information. So the Chinese, as a rule, thought that the Japanese were aiming at poisoning the Chinese people. They failed to see that in fact it was nothing but a mean tactics of the aggressor's secret service. The above is a brief description of how the Japanese tried to break down the Chinese opium suppression policy before the war.

Following the outbreak of the war, the Japanese Army occupied cities in more than ten provinces. The policy of espionage and intelligence under the guise of dealings in opium and drugs was of course intensified. The conditions involved were likewise more complicated and extensive than those before the war. They could be described under two separate headings: drugs and opium.

As to drugs, the Japanese, Korean, and Formosan ruffians could almost go anywhere in their trading without any interference. The Japanese Army, especially the Military Police (Kempaitai), went further to employ the Chinese drug dealers and unscrupulous elements to gather espionage information. It covered a wide area, and so the poison of the drugs was also widespread. The Chinese Government could do nothing at

all. But the drug trade was the dealings of the local low ranking Japanese officials, and not the over-all plan of either the Japanese Government or the Japanese Military Headquarters.

The opium business in China was the systematic policy of high ranking officials of the Japanese Government for two reasons. First, the Mongolia-Sinkiang Autonomous Government, which was a puppet organization set up by the Japanese following their occupation of Inner Mongolia, sought to solve the financial deficit problems by purchasing opium in Inner Mongolia where the people used to grow poppy and sell it at a profit. Second, Japan, in addition to scraping every possible gain in China, looked to opium as a possible way out of her own financial difficulties caused by the war. The money for Mongolian puppet government ear-marked for the purchase of opium had to be first remitted to the Finance Ministry in Tokyo, where part of the sums were retained. Although no figures of these retained sums could be estimated as they were kept strictly secret, this remains an undeniable fact. On the other hand, the greater part of the proceeds of the opium sold in Shanghai and other Chinese cities were also sent to Tokyo to be allotted as secret subsidiary funds to Tojo's cabinet as well as to subsidize members of the Diet. This was an open secret although it was guarded as strictly confidential, and it was known that some Japanese people at home were also opposed to this notorious policy of Tojo's cabinet. Evidence for this undeniable fact is, however, difficult to collect. (If the books of the Hung Chi Shan Tang could be obtained, some traces could be found.)

As to the suppression of opium under the Nanking Government, it was quite a complicated story. In 1938, the Reformed Government, following the example of the Provisional Government in North China, installed the Central Board of Opium Suppression under the Executive Yuan. The actual power of opium suppression was, however, in the hands of the Japanese. The Japanese Military Headquarters sent a Japanese ruffian by the name of Satomi (alias in Chinese, Li Chien-fu) to establish the Hung Chi Shan Tang in Shanghai. It was a business corporation in control of the opium trade and transportation. On the Chinese side, the head of the corporation was Sheng Weng-yi. But Sheng was also appointed by the Japanese, not by the Reformed Government. Therefore, the opium trade entirely came under the control of Li Chien-fu and Sheng Weng-yi, and the Reformed Government had no control whatsoever over it. According to Sheng Weng-yi himself, the disposal of the profits was kept highly secret. It was done through direct contact with Tokyo. Even the Japanese organs

in China could not know the details. The Reformed Government only charged a small amount of tax against this corporation. The Government was deprived of rights concerning personnel and administration of the Opium Suppression Board -- rights entirely usurped by the Hung Chi Shan Tang. Therefore, the pre-war opium suppression policy could not be continued. Hung Chi Shan Tang, being a business concern, was not supervised by the Government. Opium was considered one of the controlled commodities. Dealers in opium cared for nothing but profit. Opium dens were openly installed everywhere in cities and in villages. Addicts were not controlled. No such thing as compulsory curing within a time limit was ever mentioned.

In March 1940, the Executive Yuan of the Reformed Government decided to transfer the Opium Suppression Board to the jurisdiction of the Ministry of Interior. Soon, the National Government in Nanking was established. During the four years until the winter of 1943, nothing could be done to improve the situation of opium suppression. The Government found itself helpless, resorting to no other way than simply ignoring the problem.

In December 1943 students held demonstrations in Nanking, Shanghai, Hangchow and other cities against opium, smashing a number of opium shops and opium dens established by the Hung Chi Shan Tang. The public sentiment reached its peak, but the Japanese troops dared not step in to give interference. As a result, the Japanese Government sent an economic advisor to the Nanking Government, expressing their willingness to help China if China wanted to restore her pre-war opium suppression measures, on condition that the Nanking Government should consider the fact that "opium profits were the chief revenue of the Mongolia-Singkiang Autonomous Government". Three probable reasons for the sudden change of the attitude of the Japanese Government regarding the opium business in China were found. First, the Tojo Cabinet had been attacked by the people both inside and outside Japan regarding the use of opium profits for political as well as secret purposes. Second, the Japanese Government wished to lessen the hatred of the Chinese people. The third and the most important factor was that Japan at that time was making scores of times as much income by the control of commodities in occupied China as from opium dealing, so there was no apprehension for lack of funds to defray political and military expenses. Consequently, the Nanking Government had to consider carefully the following points in face of the Japanese request: